

For Immediate Release
December 19, 2011**Contact: NR 145-11-G**
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Holiday Sellers and Shoppers: Many Seasonal Items Are Taxable

Consumers May Owe Tax on Online Purchases

As we celebrate this holiday season, the California State Board of Equalization (BOE) today reminds Californians to be aware of their tax obligations.

Sales of many seasonal items, such as Christmas trees and firewood, are taxable. In addition, purchases of many holiday items, such as holiday cards and books, are taxable even when purchased from an out-of-state retailer. Consumers are reminded that use tax is due on purchases they make from out-of-state retailers online.

Firewood sales, as well as labor or service charges related to firewood sales (cutting, splitting, delivery, etc.) are taxable. Christmas trees, wreaths, ornaments, and other similar holiday items are also subject to sales tax.

Sellers of these items should register with the BOE and obtain a seller's permit. Generally, there is no sales tax exemption for charities, nonprofits, or civic organizations. Individuals or organizations that make three or more sales in any 12-month period should contact the BOE to apply for a seller's permit. Those planning to sell only during the holiday season should apply for a temporary seller's permit.

BOE representatives perform inspections statewide at flea-markets, Christmas tree lots, and street-vending locations to ensure that businesses are properly registered.

For more information about obtaining a California seller's permit, see publication 73, *Your California Seller's Permit*, at <http://www.boe.ca.gov/pdf/pub73.pdf>. For more information about nonprofit organizations, see publication 18, *Nonprofit Organizations*, available online at <http://www.boe.ca.gov/pdf/pub18.pdf>.

The BOE advises that consumers keep receipts from online purchases. Most consumers are familiar with sales tax that is applied when a purchase is made from a California retailer. When a purchase is made from an out-of-state retailer that does not collect California use tax, California consumers remain responsible for payment of use tax on their purchases.

If you are not required to be registered with the BOE to have a seller's permit or a use tax account, the easiest way to report and pay the use tax is on your California state income tax return, due for most filers on April 15 of each year. You may also register with the BOE as a use tax payer and make the payment directly to the BOE. If the purchaser is a retailer with a seller's permit, the use tax should be reported on their regular sales and use tax return.

Included in the California income tax return instructions for calendar year 2011 is a new Use Tax Look-Up Table, which allows individuals to estimate use tax owed on non-business purchases of less than \$1000. The Look-Up Table is intended to make it more convenient for taxpayers to comply with their use tax obligations by providing an option to report estimated use tax owed on qualifying purchases, rather than calculating and reporting their actual unpaid use tax liabilities.

The California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

California Seller's Permit Frequently Asked Questions: <http://www.boe.ca.gov/sutax/faqseller.htm>

California Use Tax Information: <http://www.boe.ca.gov/taxprograms/usetax/index.html>

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